BRITISH COLUMBIA
The Best Place on Earth

BC Stats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 09-49 December 11th, 2009

- **Exports rise 3.2% in October, after back-to-back declines**
- **Housing starts climb 5.5% in November**
- **Cost of new housing remains well below 2008 levels**

The Economy

- **The value of BC's exports totalled nearly $2.0 billion (*seasonally adjusted*) in October, up 3.2% from September following two months of declines.** Despite a drop in the value of energy exports (-5.4%), other commodity groups registered increases, with a jump in industrial & consumer goods (+12.8%) accounting for most of the overall growth. Shipments of machinery, equipment & automotive (+8.1%) and agriculture & fishing (+6.1%) products were also up but forest product exports (+0.0%) were unchanged from September.

  Exports to the US rose 1.3%, fuelled by industrial (+4.1%) and energy (+2.3%) products. Exports to destinations other than the US jumped 5.4%.

  Canadian exports were ahead for the second straight month, reaching $31.1 billion, up 3.4% from September's total.

  Data Source: BC Stats & Statistics Canada

- **The number of housing starts in BC climbed 5.5% in November to 19,200 units (*seasonally adjusted at annual rates*), marking the second straight month of increases.** Nationally, housing starts inched up 0.7%, with BC, Quebec (+8.6%), Saskatchewan (+69.4%) and parts of Atlantic Canada offsetting declines in other regions, including Ontario (-8.0%). *Data Source: CMHC*

- **The value of building permits issued by BC municipalities continued to fall (-1.2%, *seasonally adjusted*) in October, albeit at a much slower pace than in the previous month (-26.4% in September).** Permits for non-residential projects were relatively strong (+6.5%) but planned spending on residential buildings (-4.0%) was down. Permits for industrial (+188.4%) buildings soared, as did those for institutional & government projects (+45.7%), but much of this strength was offset by an 18.7% drop in the commercial sector. Abbotsford-Mission was the only census metropolitan area in the province to see an increase, with construction intentions inching up 1.3%. Permits were down substantially in Kelowna (-14.3%) and Victoria (-29.7%), while Vancouver recorded a more moderate decline (-8.6%).

  Canadian building intentions climbed 18.0% as the total value of building permits increased in six provinces, including Alberta (+52.2%) and Ontario (+13.7%).

  Data Source: Statistics Canada

- **Year-to-date, the value of building permits issued in BC was 37.0% lower than in the first ten months of 2008.** Planned spending on construction projects was down in all regions, with declines ranging from 7.7% in Northeast to 43.1% in Kootenay and Mainland/Southwest. Much of the decline in Mainland/Southwest was the result of plummeting permits for residential (-45.0%) and commercial (-50.5%) projects.

  Data Source: Statistics Canada & BC Stats

- **Builder's prices for new housing in British Columbia were 5.2% lower this October than in the same month of 2008.** Victoria (-9.2%) posted a particularly large decline, more than double the 4.7% drop in Vancouver. Nationally, the cost of new housing was down 2.1%, largely due to falling prices in BC and Alberta (Edmonton posted a 10.1% decline, while the

Did you know...

Nearly two thirds (62%) of British Columbians admit to having re-gifted an unwanted present. By comparison, only 48% of Canadians say they are re-gifters. *Source: Ipsos Canada*

cost of new housing in Calgary was down 5.6%). New housing prices were also soft in southern Ontario (Toronto & Oshawa (-0.1%), Hamilton (-1.0%) and St Catherines-Niagara (-1.9%)) and in Saskatoon (-3.3%), but rose in the rest of the country. *Data Source: Statistics Canada*

Crime

- **The nation's incarceration rate rose for a fourth consecutive year, increasing one percent to 118 per 100,000 population in 2008/2009.** On an average day, 37,425 adults and 1,898 youths (aged 12 to 17 years) were held in either sentenced custody or remand. The number of adults in federal prisons (those serving sentences greater than two years) held relatively stable, at approximately 13,300 in 2008/2009, accounting for roughly four in ten adults in custody in Canada.

  Since the introduction of the Youth Criminal Justice Act of 2003, which requires that the final third of a youth's sentence be served in the community under supervision, the average number of young offenders in sentenced custody has fallen steadily. In 2008/2009, the number of youth in sentenced custody fell eight percent and 42% fewer youth were in sentenced custody than in 2003/2004.

  Comparatively, Canada's incarceration rate of 118 per 100,000 population is somewhat higher than countries in Western Europe. Finland, for instance, has an incarceration rate of 67. However, Canada's rate remains far lower than that of the United States where the rate is 760 for adults alone (US incarceration rates exclude youth). *Data Source: Statistics Canada*

- **Fifty-seven percent of Canadian retail establishments experienced some type of fraudulent activity in 2007/08.** The most common incidents involved stolen or counterfeit merchandise which was returned for a refund (32%), fraudulent uses of credit cards (15%) and counterfeit money (15%). Forty-five percent of health and property insurance establishments were victims of fraud, primarily (77%) fraudulent claims. Detailed information is only available for 29% of establishments in the banking industry, but among these, 84% experienced fraud, mainly related to debit card use (50%), fraudulent cheques (29%) or worthless deposits (10%). For nine out of ten businesses, total losses were less than $20,000, but a small number reported losses in excess of $100,000. *Data Source: SC, Catalogue 85-571-X*

Children With Disabilities

- **Of the 125,000 Canadian children (aged 5 to 14) with disabilities living with their parents in 2006, nearly two-thirds (63%) were involved in some kind of organized sport or other physical activity.** Just over half (54%) were involved in other organized activities such as lessons or clubs, and 72% were linked to their peers through an electronic network.

  The most common limitation reported by parents was a learning disability (71%). Chronic physical conditions such as asthma, diabetes and heart conditions affected 62% of children with disabilities, while 46% had speech conditions and 42% had other limitations such as autism or attention deficit disorder. Two out of three children with disabilities were boys. For four out of ten children, their parents considered these limitations to be either severe or very severe. *Data Source: SC, Catalogue 11-008-X*

The Nation

- **Canada's net foreign debt increased to $84.3 billion in the third quarter.** The appreciation of the Canadian dollar accounted for more than 90% of the increase in the nation's net foreign debt. Most of Canada's foreign assets are denominated in foreign currencies, so the Canadian dollar value of these assets has declined as the loonie has appreciated against these currencies. Financing a growing current account deficit was also a factor in the increase in net foreign debt.

  Data Source: Statistics Canada

***Infoline** Issue: 09-49*
December 11th, 2009

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

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originally published in
Business Indicators Issue 09-10

Small Business is Big Business in B.C., 2008

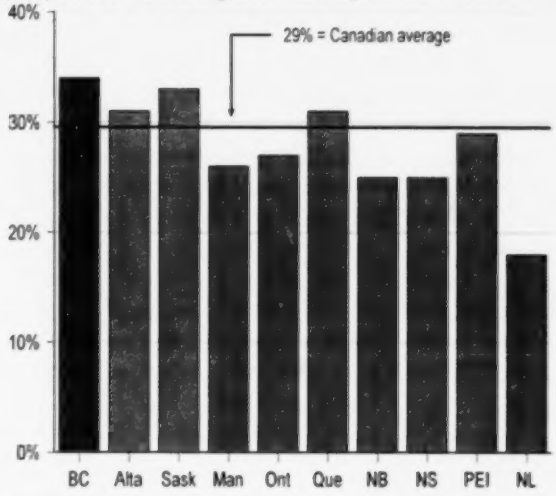
The small business sector continues to play a fundamental role as a key instrument of job creation and economic growth in British Columbia. It is the primary provider of private sector jobs in the province, reflecting an important and ongoing trend toward economic diversification within the provincial economy. Small Business is also a vital source of innovation. For example, nearly all (approximately 96 per cent in 2008) of high technology businesses in British Columbia are small businesses.

A business is defined as a small business if it is either:

- **A business with fewer than 50 employees**
- **A business operated by a self-employed person with no paid help**

Small business contributes to the provincial economy in a number of ways. It creates and maintains employment, it is a source of innovation and it meets payrolls that support families and stimulate new economic activity. Among the provinces, the importance of small business is most acute in British Columbia. In 2008, approximately 34% of the province's Gross Domestic Product (GDP) was generated by the small business sector. This was the highest rate of contribution of any province and well above the national rate of 29%.

BC ranked first among the provinces in terms of proportion of GDP generated by small business



Source BC Stats

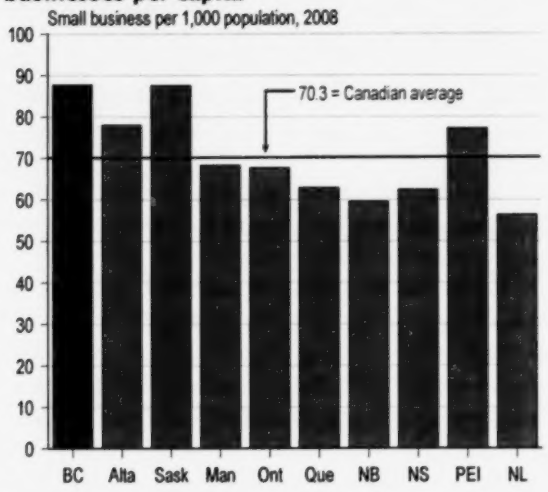
Small Business Continues to Thrive

A total of 391,300 businesses were operating in British Columbia in 2008. Of those, 384,300, or 98 per cent, were small businesses. More than half (55 per cent) of all businesses in the province were run by self-employed individuals with no paid help. The total number of small businesses operating in the province inched down 0.1 per cent between 2007 and 2008. The slight decline was entirely due to a drop in the number of self-employed unincorporated small businesses with no paid help (-1.4 per cent), which offset increases in businesses with employees (+1.5 per cent). This coincides with the markedly low unemployment rates in both those years (4.2 per cent in 2007 to 4.6 per cent in 2008) and could be an indication that some workers shifted to paid employment in more stable economic times. In the thick of the labour shortage, it is possible that some self-employed workers were enticed into the employee workforce as business operators began offering better compensation and/or benefits in hopes of luring more workers.

Small business is bigger in the West

Small businesses are more prevalent in the western part of the country, at least in terms of businesses per capita. British Columbia held on to its ranking of first among the provinces in 2008, boasting 87.7 small businesses per 1,000 people. Saskatchewan (87.5 small businesses per 1,000 people) was right on its heels, followed by Alberta (78.0). At 77.1, Prince Edward Island was the only other province to exceed the Canadian average of 70.3 small businesses per 1,000 people.

Western Canada generally has more small businesses per capita



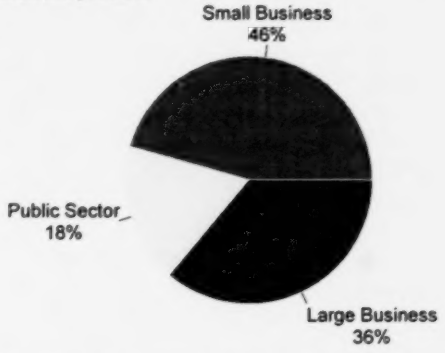
Source: BC Stats using data supplied by Statistics Canada

Almost half of working people in BC work in small business

There is a wide variety of activities in which small businesses in British Columbia are engaged, ranging from family-operated corner stores, to self-employed computer programmers, to small industrial operations. Almost three-quarters of all businesses in the province are in the service sector, with small businesses just as likely to be providing a service as large businesses.

This diverse small business sector employs almost half of all working British Columbians. There were approximately 1,058,100 jobs in small businesses in British Columbia in 2008, representing close to half (46 per cent) of the province's 2,314,200 jobs. This share was unchanged from 2007 and has remained relatively stable in recent years.

Nearly half of all jobs in BC were in small business, 2008



Source: BC Stats using data supplied by Statistics Canada

In 2008, 1,892,800 people in British Columbia were employed by the private sector (including both small and large businesses). Of this total, 56 per cent were in small business, a ratio that has remained essentially unchanged over the past decade. In 2008, British Columbia ranked second in the country in terms of the share of private sector jobs derived from small business, at almost 56 per cent, marginally behind Prince Edward Island (just over 56 per cent). At 55 per cent, Saskatchewan was third, followed by Newfoundland and Labrador (52 per cent). Ontario (45 per cent) reported the least reliance on small business for private sector employment, while nationally, the average hovered around 49 per cent.

Small business employment in British Columbia expanded 1.0 per cent from 2007 to 2008, slightly above the growth rate for Canada as a whole (+0.8 per cent). Despite the overall rise at the provincial and national level, growth eased in 2008 compared to 2007, when the national average stood at 2.4 per

cent. In 2008, the largest increase was recorded in Alberta (1.7 per cent). British Columbia was among just four other provinces, including Ontario (+1.1 per cent), PEI and Saskatchewan (both +1.0 per cent) with growth rates exceeding that of the nation as a whole. The construction boom that began in British Columbia in 2005 possibly continued to play a role in the growth in small business employment last year. However, building intentions for both housing and other projects eased in the latter half of 2008, which likely tempered overall growth. The global economic downturn that began mid-way through 2008 likely influenced the demand for construction activities and probably affected employment growth in other sectors as well. The recession will likely continue to dampen new employment opportunities in 2009.

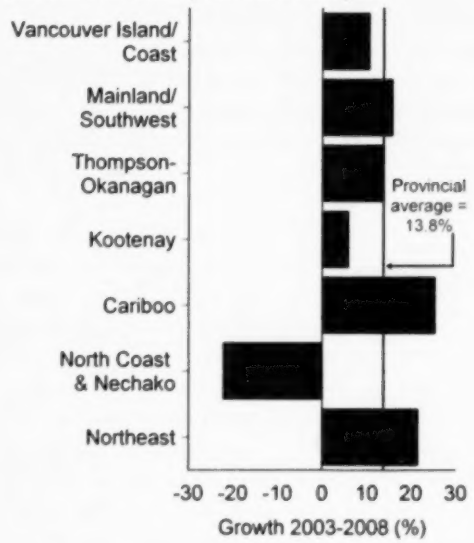
The Cariboo region leads the province in small business growth

Despite significant declines in other areas, three of British Columbia's seven regions[1] recorded growth in the number of small businesses between 2007 and 2008, such that the province recorded an average loss of just 0.1 per cent (or around 500 businesses). The Cariboo region, where forestry and agriculture are among the principal industries, led the province in the year-over-year increase in small businesses. This region recorded an impressive 8.2 per cent growth in 2008, translating to an approximate increase of 1,100 businesses. Vancouver Island/Coast (+1.6 per cent) was second in growth, also adding close to 1,100 net new small businesses in that year. In terms of actual numbers, Mainland/Southwest (+1.1 per cent) added the most new businesses to the province, with an addition of about 2,400 establishments.

Four regions experienced declines in the number of small businesses between 2007 and 2008. Losses were most notable in Kootenay (-15.1 per cent), while North Coast/Nechako (-13.0 per cent) and Northeast (-8.0 per cent) also recorded substantial decreases. The Thompson/Okanagan region experienced a comparatively slower rate of decline of 0.5 per cent.

As with total small business development, the Cariboo is also the leader in self-employment growth. Between 2003 and 2008, this region recorded a 25.4 per cent surge in the number of self-employed, slightly ahead of the 21.5 per cent rise recorded in second-ranked Northeast. With the exception of North Coast and Nechako, which saw 22.2 per cent fewer self-employed over the last five years, all other regions of the province also saw positive growth in entrepreneurs. Vancouver Island/Coast (+10.6 per cent), Thompson/Okanagan (+13.6 per cent) and Mainland/Southwest (+15.8 per cent) saw double-digit increases, while the Kootenay region (+5.9 per cent) recorded a more moderate climb.

The Cariboo region recorded the biggest increase in entrepreneurs last year



Source: Statistics Canada / Prepared by BC Stats

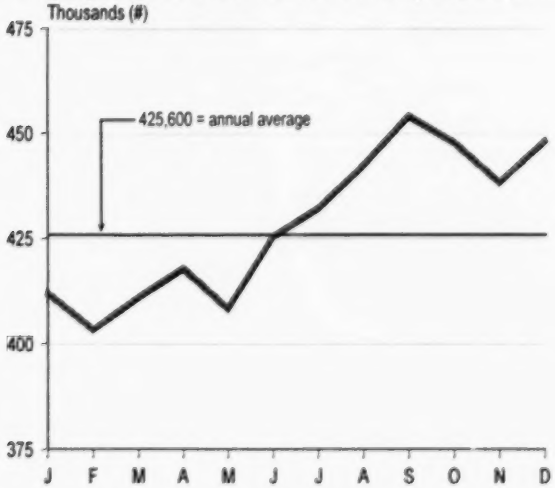
[1] Although there are eight development regions in the province, due to small numbers, the North Coast and Nechako regions have been combined.

Overall provincial self-employment has grown

Recent changes in the provincial, national and global economic landscape have already impacted the overall trend of self-employment in British Columbia. In the beginning of the year, British Columbia was still feeling the effect of a labour crunch, which is likely to have had at least some influence on self-employment levels in the province. In particular, a tight economy and labour shortages can potentially draw self-employed workers into the employee workforce. Conversely, the economic downturn in the latter part of 2008 is likely to have had its own impact on individuals' tendencies to choose self-employment. This becomes more apparent when one refers to the monthly breakdown of self-employment last year.

In 2008, self-employment reached a low early in the year (approximately 403,300 self-employed, province-wide), while its highest level was recorded in September (454,100). This highlights a stark monthly variation in numbers of self-employed last year, which could imply that in such unsure economic times, some people turned to self-employment in the face of layoffs or lack of job security.

There was marked monthly variation in self-employment over the course of the year, 2008



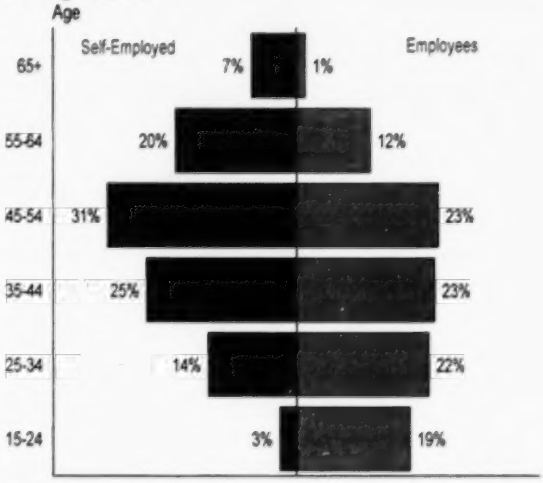
Source: BC Stats using data supplied by Statistics Canada

The self-employed have a different profile than employees

On average, self-employed people tend to be older, are more often men, work longer hours and are less likely to be Aboriginal peoples compared to workers who are employees.

Well over half (56 per cent) of British Columbia's self-employed are between the ages of 35 and 54, compared to just 46 per cent of employees. Similarly, while 40 per cent of employees are under the age of 35, only 17 per cent of self-employed business owners fit this profile. At the other end of the scale, more than a quarter (27 per cent) of entrepreneurs are aged 55 and over, compared to merely 14 per cent of employees.

Self employed workers in BC tend to be older on average, 2008

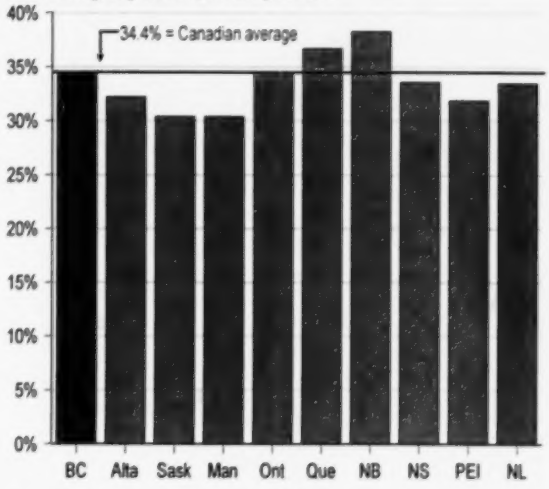


Source: Statistics Canada / Prepared by BC Stats

While workers who are employees are equally likely to be men or women, those who are self-employed are more often male. Indeed, almost two-thirds (65 per cent) of the self-employed were men in British Columbia last year. Despite their lower prevalence among the self-employed, women entrepreneurs in British Columbia, as in other provinces, have made some important strides for business in the province. In

2008, 34.3 per cent of all business owners in British Columbia were women. This was on par with the national average of 34.4 per cent and the fourth highest rate among the provinces.

Women make up a substantial proportion of self-employed workers, 2008



Source: Statistics Canada / Prepared by BC Stats

On average, the self-employed have much longer work days compared to employees. While most employees in British Columbia (65 per cent) work between 35 and 40 hours per week, only 30 per cent of the self-employed fit this category. Nearly a third (30 per cent) of self-employed work 50 or more hours per week, compared to just four per cent of employees. The average work week for self-employed workers in 2008 was 39.2 hours, compared to 35.1 hours for employees.

Aboriginal peoples living off-reserve continue to be significantly less likely to be self-employed than non-aboriginals. In the period from April 2008 to March 2009, 15.1 per cent of Aboriginal peoples in British Columbia were self-employed, compared to 18.6 per cent of non-Aboriginals who worked for themselves. Those Aboriginal peoples that defined themselves as Métis were more likely to be self-employed (17.1 per cent) than those who were self-identified as North American Indian (13.9 per cent).

The "self-employed" – individuals who spend most of their working hours running their own businesses – have remained a sizeable part of British Columbia's work force over the past five years. Last year, self-employment accounted for 18.5 per cent of total employment, relatively unchanged from 2007 (18.8 per cent). The province's share of self-employed workers was the highest in the country and remained well above that for Canada as a whole (15.4 per cent) in 2008.

With BC at or near the top rank among the provinces in categories such as small business employment (including self-employment), growth of small businesses and output generated by the small business sector (GDP), it is clear that small businesses are a vital component of the province's economy.

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December 11, 2009
Issue 09–49

Email transmission information service from BC Stats

also on the Internet at www.bcstats.gov.bc.ca or choose RSS

BC at a glance . . .

POPULATION (thousands)	Jul1/2009	% change on one year ago
BC	4,455.2	1.6
Canada	33,739.9	1.2
GDP and INCOME (Revised Nov 9)		
(BC - at market prices)	2008	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	197,931	3.3
GDP *($ 2002 millions)*	164,520	0.0
GDP *($ 2002 per Capita) (reflects revised pop)*	37,529	-1.7
Personal Disposable Income *($ 2002 per Capita)*	25,931	3.2
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Sep	2,721	2.1
Merchandise Exports - Oct	1,952	3.2
Retail Sales - Sep	4,559	1.8
CONSUMER PRICE INDEX	% change on one year ago	12-month avg % change
(all items - Oct 2009)		
BC	-0.6	0.2
Vancouver	-0.6	0.3
Victoria	-0.5	0.3
Canada	0.1	0.4
LABOUR FORCE (thousands)		% change on prev. month
(seasonally adjusted)	Nov'09	
Labour Force - BC	2,472	0.5
Employed - BC	2,267	0.4
Unemployed - BC	205	0.7
		Oct '09
Unemployment Rate - BC *(percent)*	8.3	8.3
Unemployment Rate - Canada *(percent)*	8.5	8.6
INTEREST RATES (percent)	Dec 9/2009	Dec 10/2008
Prime Business Rate	2.25	3.50
Conventional Mortgages - 1 year	3.60	5.60
- 5 year	5.59	6.95
US-CANADA EXCHANGE RATE	Dec 9/2009	Dec 10/2008
(avg. noon spot rate) Cdn $ per US $	1.0552	1.2557
(closing rate) US $ per Cdn $	0.9483	0.7939
AVERAGE WEEKLY WAGE RATE		% change on one year ago
(industrial aggregate - dollars)	Nov'09	
BC	802.41	1.6
Canada	811.48	1.7

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Historical Census Profiles

We have added detailed profiles for regional districts, municipalities, unincorporated areas and Indian reserves from the 1996 and 1991 censuses. Registration is required for access.

www.bcstats.gov.bc.ca/census.asp

Population Highlights - NEW

Population Highlights is a new BC Stats periodical that replaces both Migration Highlights and Immigration Highlights. This release provides detailed current information on population flows between British Columbia and other provinces/territories and the rest of the world, as well as other components of population change. Also, a feature article provides additional analysis on a topic of interest related to migration or immigration issues.

www.bcstats.gov.bc.ca/pubs/pr_pop.asp

Small Business Profile 2009

The 2009 Edition of the annual profile of small business in British Columbia is now available. The report provides information on British Columbia's small businesses, including number of businesses, employment and small business' contribution to the provincial economy.

www.bcstats.gov.bc.ca/data/bus_stat/busind/sm_bus.asp#sbp

Population & Household Projections

The latest British Columbia population projections (PEOPLE 34) are now available. BC Stats produces population and household projections for British Columbia and for a number of sub-provincial geographies in the province, including: Development Regions, Regional Districts, Health Authorities, Health Service Delivery Areas, Local Health Areas, College Regions, School Districts, and six Special Regions.

www.bcstats.gov.bc.ca/data/pop/pop/popproj.asp

Released this week by BC Stats

- Earnings & Employment Trends, Nov. 2009
- Quarterly Regional Statistics, 3rd Quarter 2009
- Exports, October 2009

Next week

- Consumer Price Index, November 2009

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